

BEFORE THE BOARD OF REAL ESTATE APPRAISERS

STATE OF IDAHO

ORIGINAL

In the Matter of the License of: )

GREGORY N. TYE, )

License No. LRA-233, )

Respondent. )

Case Nos. REA-L3-01-00-003

REA-P3-01-01-006

**STIPULATED REPRIMAND  
AND FINAL ORDER**

REA\Tye\P2087\ga

WHEREAS, information having been received by the Idaho State Board of Real Estate Appraisers (hereinafter the "Board") which constitutes sufficient grounds for the initiation of an administrative action against Gregory N. Tye (hereinafter "Respondent"); and

WHEREAS, the parties mutually agree to settle the matter pending administrative Board action in an expeditious manner; now, therefore,

IT IS HEREBY STIPULATED AND AGREED between the undersigned parties that this matter shall be settled and resolved upon the following terms:

**A.**

1. The Board may regulate the practice of real estate appraisers in the State of Idaho in accordance with title 54, chapter 41, Idaho Code.

2. Respondent Gregory N. Tye is a licensee of the Idaho State Board of Real Estate Appraisers and holds License No. LRA-233 to practice real estate appraisals in the State of Idaho. Respondent's license is subject to the provisions of title 54, chapter 41, Idaho Code.

3. Appraisals in the State of Idaho must comply with the minimum standards set forth in the Uniform Standards of Professional Appraisal Practices ("USPAP").

**Case No. REA-L3-01-00-003**

4. On or about September 19, 1999, Respondent prepared an appraisal for the property located at 3120 Railroad Avenue in Post Falls, Idaho (hereinafter "Subject Property #1").

5. Respondent's appraisal report of Subject Property #1 failed to meet the following requirements of USPAP Standards (1999):

a. The workfile for the report did not contain sufficient information to support Respondent's findings and conclusions, in violation of the Ethics Provision, Recordkeeping;

b. The type of appraisal was not correctly identified; the report is a limited report that excludes the cost approach but indicates that it was completed as a complete appraisal in a summary reporting format, in violation of Standards Rule 2-2(b)(xi);

c. The HUD VC-1 form attached to the report is checked "yes" to the statement "excessive noise or hazard from heavy traffic area," but the report does not identify or report how this may affect the valuation, and the site map shows that railroad rights of way may exist or did exist, but this is not addressed in the report, all in violation of Standards Rules 1-3(a) and 2-2(b)(ix);

d. The report states in the final reconciliation narrative that "the cost approach is supportive" but the cost approach was not completed and the departure provision was not invoked, in violation of Standards Rules 1-4(b)(i), (ii) and (iii) and 2-2(b)(ix);

e. The report does not show the analysis of comparable sales information sufficiently to support the adjustments and conclusions; for example, the report indicates an adjustment of \$1000 per effective year for sale #1, but a \$10,000 adjustment was made for the 20-year difference without adequate explanation; no adjustments were made, or explanation given, on sales #2 and #3 for 2 bedrooms vs. the

subject's 3 bedrooms; the "functional utility" adjustments are unclear and unsupported, all in violation of Standards Rules 1-4(a), 2-1(b) and 2-2(b)(ix);

f. A copy of the Real Estate Purchase and Sale Agreement is included in the report but no comments or analysis was reported, in violation of Standards Rules 1-5(a) and 2-2(b)(ix); and

g. Respondent failed to adequately reconcile the quality and quantity of data with the approaches since inadequate information and support is found in the report, in violation of Standards Rules 1-1(b) and (c), 1-5(c), 2-1(a) and (b) and 2-2(b)(ix).

**Case No. REA-P3-01-01-006**

6. On or about April 29, 2000, Respondent prepared an appraisal for the property located at 2296 St. James Avenue in Hayden, Idaho (hereinafter "Subject Property #2").

7. Respondent's appraisal report of Subject Property #2 failed to meet the following requirements of USPAP Standards (2000):

a. The workfile for the report did not contain sufficient information to support Respondent's findings and conclusions, in violation of the Ethics Provision, Recordkeeping;

b. The extent of the process of collecting, confirming and reporting data (scope) is poorly identified and sales information is limited and unclear; for example, sale #3 shows an adjustment in the sales grid in the report for a shop, but no sales analysis, confirmation of this sale or its improvement is found in the report; the subject worksheet in the workfile indicates that it has 3 baths and was totally remodeled and 3 baths are indicated on the plan, but the report shows 2 baths; and the sketch of the subject shows an office but the report shows a third bedroom, all in violation of Standards Rules 1-2(f), 2-2(b)(vii) and 2-2(b)(ix);

c. Extraordinary assumptions may have been made and not disclosed about the use of the office/bedroom area and not adequately explained in the report, in violation of Standards Rules 1-1(g), 2-1(c), and 2-2(b)(viii) and (ix);

d. The site value is not proven by any analysis; no sales were included or any analysis presented to support the value in the cost approach, and there is inadequate analysis and support for the land value used in the report, in violation of Standards Rules 1-4(b)(i), 2-1(b) and 2-2(b)(ix);

e. The cost approach information is incomplete; insufficient sale information and analysis were presented in order to support the value in the cost approach; no cost valuation worksheet was provided to support the conclusions, and no analysis for depreciation was attached; support of the effective age could not be found, all in violation of Standards Rules 1-4(b)(ii) and (iii) and 2-2(b)(ix);

f. The report does not show the analysis of comparable sales information sufficiently to support the adjustments and conclusions, in violation of Standards Rules 1-4(a), 2-1(b) and 2-2(b)(ix). For example:

i. The report indicates an adjustment of \$1,000 per effective year for all sales, but no adjustments were made even though all of the sales have effective ages less than the subject;

ii. The subject is shown to have 3 bedrooms and 2 baths in the report, but the floor plan sketch indicates 2 bedrooms, an office and 3 baths, while the workfile indicates 3 bedrooms and 3 baths;

iii. No adjustments were made on sales #1 for a fourth bedroom vs. the subject's 3 bedrooms;

iv. The "functional utility" adjustments are not adequately explained;

v. Sale #2 shows 1 bedroom but the worksheet in the workfile shows this sale to have 3 bedrooms, 2 of which are in the basement;

vi. Sales #2 and #3 have basements while the subject does not but the report does not adequately explain why sales with basements were used;

vii. Site adjustments are a flat \$10,000 on each of the sales but all of the sites are of different sizes: subject = .968 acres, sale #1 = .57 acres, sale #2 = .25 acres and sale #3 = .64 acres; and

viii. Sale #3 was adjusted for having a 40x30 shop but no sales analysis, worksheet, MLS information, etc., was found to confirm and support this adjustment.

g. A copy of the Real Estate Purchase and Sale Agreement is included in the report but no comments or analysis was reported, in violation of Standards Rules 1-5(a) and 2-2(b)(ix); and

h. Respondent failed to adequately reconcile the quality and quantity of data with the approaches since inadequate information and support is found in the report, in violation of Standards Rules 1-1(b) and (c), 1-5(c), 2-1(a) and (b) and 2-2(b)(ix).

8. The above-stated allegations, if proven, would constitute a violation of the laws and rules governing the practice of real estate appraisals, specifically Idaho Code § 54-4107(e) and IDAPA 24.18.01.700. Violations of these laws and rules would further constitute grounds for disciplinary action against Respondent's license to practice real estate appraisals in the State of Idaho.

9. Respondent, in lieu of proceeding with a formal disciplinary action to adjudicate the allegations as set forth above, hereby admits the violations and agrees to the discipline against his license as set forth in Section C below.

## **B.**

I, Gregory N. Tye, by affixing my signature hereto, acknowledge that:

1. I have read and admit the allegations pending before the Board, as stated above in section A. I further understand that these allegations constitute cause for disciplinary action upon my license to practice real estate appraisals in the State of Idaho.

2. I understand that I have the right to a full and complete hearing; the right to confront and cross-examine witnesses; the right to present evidence or to call witnesses, or to so testify myself; the right to reconsideration; the right to appeal; and all rights accorded by the Administrative Procedure Act of the State of Idaho and the laws and rules governing the practice of real estate appraisals in the State of Idaho. I hereby freely and voluntarily waive these rights in order to enter into this stipulation as a resolution of the pending allegations.

3. I understand that in signing this stipulation I am enabling the Board to impose disciplinary action upon my license without further process.

**C.**

Based upon the foregoing stipulation, it is agreed that the Board may issue a decision and order upon this stipulation whereby:

1. Respondent is reprimanded by the Board for failure to ensure that his appraisals of the Subject Properties complied with USPAP Standards.

2. Respondent shall pay an administrative fine of One Thousand and No/100 Dollars (\$1,000.00) to the Board postmarked no later than thirty (30) days after the date of entry of the Board's Order.

3. Respondent shall pay investigative costs and attorney's fees in the amount of Seven Hundred Fifty and No/100 Dollars (\$750.00) to the Board postmarked no later than thirty (30) days after the date of entry of the Board's Order.

4. Respondent's License No. LRA-233 shall be placed on probation for a period of one (1) year from the date of entry of the Board's Order. The conditions of probation are as follows:

a. Respondent shall comply with all state, federal and local laws, rules and regulations governing the practice of real estate appraisals in the State of Idaho.

b. Respondent shall maintain a log of all appraisals completed on a form approved by the Board. A copy of the approved form is attached hereto as an

exhibit. Respondent shall submit the completed form postmarked no later than the last day of each month to the Board at 1109 Main Street, Suite 200, Boise, Idaho 83702. The Board reserves the right to review any and all appraisal reports listed on the logs kept by Respondent. Failure to submit completed logs to the Board postmarked by the last day of each month may result in additional discipline, including revocation of licensure.

c. Respondent shall inform the Board in writing of any change of place of practice or place of business within 15 days of such change.

d. In the event Respondent should leave Idaho to reside or to practice outside of the state, Respondent must provide written notification to the Board of the dates of departure, address of intended residence or place of business, and indicate whether Respondent intends to return. Periods of residency or practice outside of Idaho will not apply to the reduction of the probationary period or excuse compliance with the terms of this Stipulation.

e. Respondent shall fully cooperate with the Board and its agents, and submit any documents or other information within a reasonable time after a request is made for such documents or information.

f. Respondent shall make all files, records, correspondence or other documents available immediately upon the demand of any member of the Board's staff or its agents.

5. At the conclusion of the one-year probationary period, Respondent may request from the Board reinstatement of License No. LRA-233 without further restrictions. Any request for reinstatement must be accompanied by written proof of compliance with the terms of this Stipulation. The Board retains discretion to grant reinstatement of Respondent's real estate appraiser license or to deny reinstatement and continue the period of probation.

6. All costs associated with compliance with the terms of this stipulation are the sole responsibility of Respondent.

7. The violation of any of the terms of this Stipulation by Respondent will warrant further Board action. The Board therefore retains jurisdiction over this proceeding until all matters are finally resolved as set forth in this Stipulation.

**D.**

1. It is hereby agreed between the parties that this Stipulation shall be presented to the Board with a recommendation for approval from the Deputy Attorney General responsible for prosecution before the Board at the next regularly scheduled meeting of the Board.

2. Respondent understands that the Board is free to accept, modify with Respondent's approval, or reject this Stipulation, and if rejected by the Board, a formal complaint may be filed against Respondent. Respondent hereby agrees to waive any right Respondent may have to challenge the impartiality of the Board to hear the disciplinary complaint if, after review by the Board, this Stipulation is rejected.

3. If the Stipulation is not accepted by the Board, it shall be regarded as null and void. Admissions by Respondent in the Stipulation will not be regarded as evidence against Respondent at the subsequent disciplinary hearing.

4. The Consent Order shall not become effective until it has been approved by a majority of the Board and endorsed by a representative member of the Board.

5. Any failure on the part of Respondent to timely and completely comply with any term or condition herein shall be deemed a default.

6. Any default of this Stipulation and Consent Order shall be considered a violation of Idaho Code § 54-4107(1)(d). If Respondent violates or fails to comply with this Stipulation and Consent Order, the Board may impose additional discipline pursuant to the following procedure:

a. The Chief of the Bureau of Occupational Licenses shall schedule a hearing before the Board. Within twenty-one (21) days after the notice of hearing and



charges is served, Respondent shall submit a response to the allegations. If Respondent does not submit a timely response to the Board, the allegations will be deemed admitted.

b. At the hearing before the Board upon default, the Board and Respondent may submit affidavits made on personal knowledge and argument based upon the record in support of their positions. Unless otherwise ordered by the Board, the evidentiary record before the Board shall be limited to such affidavits and this Stipulation and Consent Order. Respondent waives a hearing before the Board on the facts and substantive matters related to the violations described in Section A, and waives discovery, cross-examination of adverse witnesses, and other procedures governing administrative hearings or civil trials.

c. At the hearing, the Board will determine whether to impose additional disciplinary action, which may include conditions or limitations upon Respondent's practice or suspension or revocation of Respondent's license.


7. The Board shall have the right to make full disclosure of this Stipulation and Consent Order and the underlying facts relating hereto to any state, agency or individual requesting information subject to any applicable provisions of the Idaho Public Records Act, Idaho Code §§ 9-337-50.

8. This Stipulation and Consent Order contains the entire agreement between the parties, and Respondent is not relying on any other agreement or representation of any kind, verbal or otherwise.

I have read the above stipulation fully and have had the opportunity to discuss it with legal counsel. I understand that by its terms I will be waiving certain rights accorded me under Idaho law. I understand that the Board may either approve this stipulation as proposed, approve it subject to specified changes, or reject it. I understand that, if approved as proposed, the Board will issue an Order on this stipulation according to the aforementioned terms, and I hereby agree to the above stipulation for settlement. I understand that if the Board approves this stipulation subject to changes, and the changes are acceptable to me, the stipulation will take effect and an order modifying the terms of the stipulation will be issued. If

the changes are unacceptable to me or the Board rejects this stipulation, it will be of no effect.

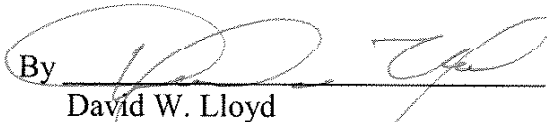
DATED this 9<sup>th</sup> day of June, 2002.

  
\_\_\_\_\_  
Gregory N. Tye  
Respondent

I concur in this stipulation and order.

DATED this 6<sup>th</sup> day of July, 2002.

STATE OF IDAHO  
OFFICE OF THE ATTORNEY GENERAL

By   
\_\_\_\_\_  
David W. Lloyd  
Deputy Attorney General

### ORDER

Pursuant to Idaho Code § 54-4106, the foregoing is adopted as the decision of the Board of Real Estate Appraisers in this matter and shall be effective on the 17 day of June, 2002. IT IS SO ORDERED.

IDAHO STATE BOARD  
OF REAL ESTATE APPRAISERS

By   
\_\_\_\_\_  
Stanley Moe, Chair

### CERTIFICATE OF SERVICE


I HEREBY CERTIFY that on this 2nd day of July, 2002, I caused to be served a true and correct copy of the foregoing by the following method to:

Gregory N. Tye  
1404 Crestline Dr  
Coeur D'Alene, Idaho 83814

☐ U.S. Mail, Postage Prepaid  
☒ Certified Mail  
☐ Hand Delivered  
☐ Statehouse Mail  
☐ Facsimile

David W. Lloyd  
Deputy Attorney General  
P.O. Box 83720  
Boise, Idaho 83720-0010

☐ U.S. Mail, Postage Prepaid  
☐ Certified Mail  
☐ Hand Delivered  
☒ Statehouse Mail  
☐ Facsimile

  
Rayola Jacobsen, Chief  
Bureau of Occupational Licenses

**CERTIFIED MAIL**



7000 1530 0005 5350 0370

**STATE OF IDAHO**  
**Department of Self-Governing Agencies**  
**Bureau of Occupational Licenses**  
**Owyhee Plaza**  
**1109 Main Street, Suite 220**  
**Boise, Idaho 83702-5642**

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Gregory N. Tye  
 1404 Crestline Dr.  
 Coeur D'Alene, Id 83814

2. Article Number (Copy from service label)  
 7000 1530 0005 5350 0370

PS Form 3811, July 1999

Domestic Return Receipt

102595-99-44-1789

**COMPLETE THIS SECTION ON DELIVERY**

A. Received by (Please Print Clearly)

E. Date of Delivery

C. Signature

D. Is delivery address different from item 1? ☒ Yes ☐ No  
 If YES, enter delivery address below:

☐ Agent ☐ Addressee

3. Service Type

☒ Certified Mail ☐ Express Mail  
☐ Registered ☐ Return Receipt for Merchandise  
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

7000 1530 0005 5350 0370

U.S. Postal Service  
**CERTIFIED MAIL RECEIPT**  
 (Domestic Mail Only. No Insurance Coverage Provided)

*Shipped Return/End*

Postage \$  
 Certified Fee  
 Return Receipt Fee (Endorsement Required)  
 Restricted Delivery Fee (Endorsement Required)  
 Total Postage & Fees \$

*SENT 01/02/00*

Sent To: *Gregory N. Tye*  
 Street: *1404 Crestline Dr.*  
 City: *Coeur D'Alene, Id.*  
 State: *83814*  
 ZIP: *83814*  
 PS Form 3811, July 1999